

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**FORM 8-K**

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

**December 20, 2007**

Date of Report (Date of Earliest Event Reported)

**ITRON, INC.**

(Exact Name of Registrant as Specified in its Charter)

**Washington**

(State or Other Jurisdiction of Incorporation)

**000-22418**

(Commission File No.)

**91-1011792**

(IRS Employer Identification No.)

**2111 N. Molter Road, Liberty Lake, WA 99019**

(Address of Principal Executive Offices, Zip Code)

**(509) 924-9900**

(Registrant's Telephone Number, Including Area Code)

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 7.01 Regulation FD Disclosure.**

On December 20, 2007, Itron, Inc. reached an agreement with Southern California Edison (SCE) to deploy Itron's OpenWay meter and communications system as part of SCE's Edison SmartConnect metering program. In connection with this agreement, Itron issued a press release on December 20, 2007, a copy of which is attached as Exhibit 99.1. Itron has prepared answers to common questions regarding the SCE agreement, a copy of which is attached as Exhibit 99.2.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
99.1	<a href="#">Press release dated December 20, 2007</a>
99.2	<a href="#">Itron and Southern California Edison Agreement FAQ</a>

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**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

ITRON, INC.

Dated: December 20, 2007

By: Steven M. Helmbrecht

Steven M. Helmbrecht

Sr. Vice President and Chief Financial Officer

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EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Description</u>
99.1	<a href="#">Press release dated December 20, 2007</a>
99.2	<a href="#">Itron and Southern California Edison Agreement FAQ</a>

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**FOR IMMEDIATE RELEASE****ITRON "OPENWAY" CHOSEN FOR SOUTHERN CALIFORNIA EDISON'S SMARTCONNECT METERING SYSTEM**

LIBERTY LAKE, Wash., Dec. 20, 2007 — Itron, Inc. (NASDAQ:ITRI) has reached an agreement with Southern California Edison (SCE) to deploy Itron's OpenWay™ meter and communications system as part of SCE's Edison SmartConnect metering program.

OpenWay by Itron is a standards-based, open-architecture smart metering solution that features two-way wireless communication to state-of-the-art electricity meters at homes and small businesses. OpenWay is designed to meet a broad set of customer energy management requirements, such as real-time energy communication to thermostats, information displays and energy smart appliances using ZigBee™ technology.

"SCE has been a leader in the electric industry on smart metering and has been an important Itron customer for more than two decades, so we are very excited to be working with the company on Edison SmartConnect," said LeRoy Nosbaum, Itron chairman and CEO. "We look forward to being a part of SCE's plans."

The Edison SmartConnect program is a key component of SCE's leadership in managing increasing demand for electricity from customers and providing environmental leadership through energy efficiency, demand management, electric transportation and smart technologies. Edison plans to automate 5.3 million meters from 2009 through 2012.

"This agreement with Itron marks an important milestone in the advancement of Edison SmartConnect," said Lynda Ziegler, SCE's senior vice president of customer service. "OpenWay's flexibility and advanced technology is a terrific example of how companies are rising to the challenge to enable consumers to make more sophisticated energy choices."

**About Itron**

Itron is a leading technology provider and critical source of knowledge to the global energy and water industries. Itron operates in two divisions; as Itron in North America and as Actaris outside of North America. The company is the world's leading provider of metering, data collection and software solutions, with nearly 8,000 utilities worldwide relying on our technology to optimize the delivery and use of energy and water. Itron delivers industry leading solutions for electricity, gas and water utilities by offering meters; data collection and communication systems, including automated meter reading and advanced metering infrastructure; meter data management and utility software applications; as well as comprehensive project management, installation and consulting services. To know more, start here: [www.itron.com](http://www.itron.com).

**About Southern California Edison**

An Edison International (NYSE:EIX) company, Southern California Edison is the largest electric utility in California, serving a population of more than 13 million via 4.8 million customer accounts in a 50,000-square-mile service area within central, coastal and Southern California.

For more information on Edison SmartConnect, please visit [www.sce.com/smartconnect](http://www.sce.com/smartconnect).

For additional information, including answers to frequently asked questions about the agreement go to: [www.itron.com/pages/investors.asp](http://www.itron.com/pages/investors.asp) and choose SEC Filings.

For additional information, contact:

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## ITRON AND SOUTHERN CALIFORNIA EDISON AGREEMENT FAQ

*Answers to Common Questions Regarding the SCE Agreement*

Date: December 20, 2007

**1. What is the value of the agreement?**

The value of the agreement is about \$480 million if SCE completes its full deployment and purchases 80% of the meters from Itron. SCE is not required to purchase these quantities, however, and has stated that purchases will be largely dependent upon the performance of Itron and the OpenWay system. Because the full deployment is not expected to begin until January 1, 2009, no orders of equipment were included as part of the initial purchase order.

**2. Will you book the entire agreement and put it into backlog?**

Because the agreement with SCE does not guarantee a volume of meters we will not book the entire agreement. The initial purchase order we received is for software license development, maintenance and professional services. We will book equipment orders and add to backlog as we receive firm purchase orders from SCE. We expect SCE to issue firm purchase orders for equipment on a periodic basis during deployment.

**3. What is the term of the agreement?**

The term of the agreement is 20 years. The meter deployment period is expected to last four years beginning in 2009 through 2012.

**4. Is the agreement cancellable for convenience?**

Yes, the agreement may be cancelled by SCE for its convenience. Itron does not expect that SCE will exercise its right to terminate for convenience.

**5. Is the agreement subject to California Public Utility Commission (CPUC) approval?**

The Edison SmartConnect™ program is subject to approval by the CPUC. SCE filed an application with the CPUC on July 31, 2007 seeking authority to deploy Edison SmartConnect™. The agreement is contingent upon approval of the Edison SmartConnect™ application, expected in summer 2008. If the application is not approved by the CPUC, then Itron expects that SCE would exercise its termination for convenience right under the Agreement.

**6. Will SCE split the meter and communication orders?**

SCE is currently planning on contracting with an alternate meter supplier and Itron has agreed to cooperate with SCE in its efforts to assure that an alternative meter can be used with the Itron-provided communication system. We expect to receive orders for all of the communication system and potentially 80% of the meters as we have structured the agreement so it should be beneficial for SCE to order a minimum of 80% of its meters from Itron.

**7. What other meter vendor have you agreed to put your communication technology on?**

We have agreed that we will provide our communication technology to any vendor selected by SCE as its alternative meter provider. The technology may be provided either with a license of the technology or a communications card or chip that will allow the alternative meter to communicate with Itron's communication system. SCE will be releasing an RFP for a second meter supplier in January 2008, and Itron is committed to working with the selected alternate supplier.

**8. How will revenue be recognized?**

Based on a preliminary assessment of the contract terms and revenue recognition guidance, we expect that we will recognize revenue as products and services are delivered. This methodology would closely reflect the progressive installation of the OpenWay AMI network.

**9. What components are included in the agreement?**

Itron will be providing meters, communication equipment, software and services as part of the agreement. We will also offer maintenance services, trouble shooting, and sales of additional equipment for the term of the agreement.

**10. Is the gross margin on this agreement lower than other AMR projects?**

We do not report gross margins by contract; however, we would expect this contract to have gross margins similar to the rest of our Itron North America business once we begin full deployment.

**11. There are several utilities that have been public about their AMI deployment plans. Are they each on track with timing?**

As we have previously stated, AMI projects involve significant capital expenditures by the utility. Those decisions require extensive planning involving many employees, vendors and regulatory agencies. Each utility has its own schedule for investigating, testing, and seeking regulatory approvals for their AMI project. We are generally restricted by confidentiality agreements from discussing specific projects but have been advised that CenterPoint Energy, who had expected to make a filing with the Public Utility Commission of Texas before the end of the year, does not expect to file with the commission until 2008.

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